Under invoicing of Access Deficit Charge

*231. SHRI NILOTPAL BASU: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that Government have identified a grey market in terms of under invoicing of Access Deficit Charge (ADC) payments;

(b) if so, the total billion minutes of international calls received by different access providers, company-wise since the TRAI mandated ADC regime has been put in place and the corresponding money received by BSNL on account of this; and

(c) the penalties provided for by the law against defaulters and action initiated in the matter?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI DAYANIDHI MARAN): (a) Instances of under invoicing of Access Deficit Charge (ADC) payment by way of delivery of international long distance calls at incorrect points or using other technical methods have come to notice. Such cases are different from delivery of international calls through grey market whereby international traffic is delivered without passing through the gateway switches of licensed International Long Distance Service Providers and in such cases, there is no invoicing of ADC applicable for international traffic.

(b) According to the information received from International Long Distance Service Licensees (ILD) 6223.16 million minutes of incoming international traffic have been delivered to various Access Providers from 1.5.2003 to Sept., 2004. The details of incoming international traffic handled by various ILD service licensees are given in Statement-I. *(See* below*)* BSNL has reported that ADC received *w.e.f.* 1.5.2003 to 30.9.2004 from different International Long Distance and National Long Distance operators for incoming international calls is of the orders of about Rs. 2,005 crores.

(c) For the calls through authorized international long distance service providers, ADC is payable as a part of inter-carrier revenue sharing arrangements under Interconnect Agreement between service providers for telecommunications traffic. Service providers normally incorporate deterrent measures in their interconnect agreements to curb practices of under invoicing of ADC payment by way of delivery of traffic at points attracting no or less ADC payment.

As per provisions of Interconnect Agreements, since September, 2004, Bharat Sanchar Nigam Ltd. has issued so far 517 notices amounting to total bill of Rs. 263 crores for incorrect routing of international traffic to an operator. Similarly, Mahanagar Telephone Nigam Ltd. has raised bills amounting to Rs. 341.27 crores as per Interconnect Agreements.

Further, the Interconnect Agreement of BSNL stipulates that in case any incoming international call is detected on a port/trunk group (group of trunk junctions) not meant for accepting such calls then all calls received on these ports shall be charged at a rate as applicable for incoming international calls from the date of provisioning of that point of interconnection (PoI) or for the preceeding two months, whichever is less apart from taking other legal actions including disconnection of PoIs or temporary suspension of the Interconnection Agreement.

The provisions of the penalty are given in Statement-II. *(See* below*)*

A Notice has been issued to an operator for incorrect routing of calls resulting in violation of licence agreements.

In 2003, no notice was issued and operators were asked to stop providing features, which resulted in by pass of Access Deficit Charge.

Statement-I

Details of incoming international traffic as delivered by various international long distance licensees to various access providers.

Sl. No.	Name of International Long Distance Licensee	Incoming traffic in million minutes (May, 2003 to Sept, 2004)
1	M/s. Bharti Infotel Ltd.	1225.7
2	M/s. Data Access Ltd.	1380.15
3	M/s. Reliance Infocomm Ltd.	1305.19
4	M/s. Videsh Sanchar Nigam Ltd.	2312.12

M/s. Bharat Sanchar Nigam Limited was not receiving international calls except from Nepal, Bhutan, Bangladesh and Sri Lanka. Keeping in view relations with these countries the international calls to and from Nepal, Bhutan and Bangladesh are governed by separate Inter-Governmental agreements.

Statement-II

Details of the penalty provisions in the licence agreements

1. The licences are governed by the provisions of Indian Telegraph Act, 1885 which provides that under Section 20A, breach of conditions of licence is punishable with a fine of Rs. 1000/- for first contravention and with further fine of Rs. 500/- for every week during which the breach of conditions continues.

2. Unified Access Services Licence:

Clause 10. SUSPENSION, REVOCATION OR TERMINATION OF LICENCE.

10.1 The LICENSOR reserves the right to suspend the operation of this LICENCE in whole or in part, at any time, if, in the opinion of the LICENSOR, it is neceesary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the TELEGRAPH. Licence Fee payable to the LICENSOR will not be required to be paid for the period for which the operation of this LICENCE remains suspended in whole. If situation so warrant, it shall not be necessary for Licensor to issue a notice for seeking comments of the LICENSEE for this purpose and the decision of the Licensor shall be final and binding.

Provided that the LICENSOR shall not be responsible for any damage or loss caused or arisen out of aforesaid action. Provided further that the suspension of the LICENCE will not be a cause or ground for extension of the period of the LICENCE and suspension period will be taken as period spent.

10.2 (i) The LICENSOR may, without prejudice to any other remedy available for the breach of any conditions of LICENCE , by a written notice of 60 Calender days from the date of issue of such notice to the LICENCEE at its registered office, terminate this LICENCE under any of the following circumstances:

If the LICENSEE:

(a) fails to perform any obligation(s) under the LICENCE including timely payments of fee and other charges due to the LICENSOR;

(b) fails to rectify, within the time prescribed, any defect/deficiency/ correction in service/equipment as may be pointed out by the LICENSOR.

(c) goes into liquidation or ordered to be wound up.

(d) is recommended by TRAI for termination of LICENCE for non-compliance of the terms and conditions of the LICENCE

10.2(ii) of Unified Access Service Licence stipulates that the Licensor may also impose a financial penalty not exceeding Rs. 50 crores for violation of terms and conditions of licence agreement. This penalty is exclusive of Liquidated Damage as prescribed under clause 35 of this Licence Agreement.

3. National Long Distance Service Licence:

Clause 13. SUSPENSION, REVOCATION OR TERMINATION OF LICENCE

13.1 The LICENSOR reserves the right to suspend the operation of this LICENCE in whole or in part, at any time, if, in the opinion of the LICENSOR, it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of SERVICE. LICENCE fee payable under condition No. 5.2 to the LICENSOR will not be required to be paid for the period for which the operation of this LICENCE is suspended in whole.

Provided that the LICENSOR shall not be responsible for any damage or loss caused or arisen out of aforesaid action. Provided further that the suspension of the LICENCE will not be a cause or ground for extension of the period of the LICENCE .

13.2 The LICENSOR may, without prejudice to any other remedy available to it for the breach of any conditions of LICENCE, by a written notice of 30 days issued to the LICENCE at its registered office, terminate this LICENCE under any of the following circumstances:

(a) fails to commission or deliver the SERVICE within the time period(s) specified in the LICENCE .

(b) fails to perform any obligation(s) under the LICENCE including remittance of timely payments of fee and other dues due to the LICENSOR.

(c) fails to rectify, within the time prescribed, any defect as may be pointed out to the LICENCEE by the LICENSOR.

(d) goes in liquidation or ordered to be wound up.

(e) is recommended by TRAI for termination of LICENCE for non compliance of the terms and conditions of the LICENCE .

4. International Long Distance Service Licence:

Clause 13. SUSPENSION, REVOCATION OR TERMINATION OF LICENCE

13.1 The LICENSOR reserves the right to suspend the operation of this LICENCE in whole or in part, at any time, if, in the opinion of the LICENSOR, it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of telegraphs. Revenue share as LICENCE Fee, payable to the LICENSOR, will not be required to be paid for the period for which the operation of LICENCE is suspended in totality but claim of refund of any charge or fee shall not be maintainable.

Provided that the LICENSOR shall not be responsible for any damage or loss caused or arising out of the aforesaid action. Provided further that the suspension of the LICENCE will not be a cause or ground for extension of the period of the LICENCE and the suspension period will be taken as period already spent.

13.2 Without prejudice to any other remedy available for the breach of any conditions of LICENCE, the LICENSOR may, by a written notice of 60 days issued to LICENSEE at its registered office, terminate this licence in whole or parts under any of the following circumstances:

If the LICENSEE:

(a) fails to commission or deliver any or all of the services within the time period(s) specified in the LICENCE.

(b) fails to perform any obligation(s) under the LICENCE including timely payments of Free and other charges due to the LICENSOR;

(c) does not rectify the failure, within the notice period, as may be pointed out to the LICENCEE by the LICENSOR

(d) becomes bankrupt/goes in liquidation or is declared insolvent or is ordered to be wound up.

(e) is recommended by TRAI for termination of LICENCE for non compliance by the LICENCEE, of the terms and conditions of the LICENCE.

The provisions of TRAI Act are as follows:

(i) TRAI can issue directions to the service providers while discharging its functions for ensuring compliance to the terms and conditions of the licence.

(ii) File a case against on operator in a Court of Chiet Metropolitan Magistrate or Chief Judicial Magistrate of 1st class for violation of its directions.

(iii) Recommend to the Licensor for revocation of licence for non-compliance of terms and conditions.

Loan applications under PMRY in Uttaranchal

*232. SHRI HARISH RAWAT: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) the total number of educated persons in Uttaranchal who have applied for loans to establish their ventures under Pradhan Mantri Rojgar Yojana during the last two years and the number of persons out of them who have been sanctioned loans;

(b) whether some loan applications received during these two years under the said scheme have been rejected; and

(c) if so, the number of rejected applications and the main reasons therefor?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) to (c) The relevant details in respect of educated persons in Uttaranchal (UL) who applied for loan to set up self-employment ventures during 2002-03 and 2003-04 under the Pradhan Mantri Rozgar Yojana (PMRY) are given in the table below: